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DCI/ICS 86-4410

24 December 1986

MEMORANDUM FOR: Acting Director of Central Intelligence

STAT FROM: [redacted]
Director, Intelligence Community Staff

SUBJECT: Intelligence Personnel Systems Report for the Congress

1. Action Requested: That you sign the attached two letters (Attachment A) forwarding a Congressionally directed report (Attachment B) on intelligence civilian personnel systems to the Speaker of the House and the President pro tem of the Senate.

2. Background: Section 507 of the FY 1987 Intelligence Authorization Act contains a provision that requires a joint DCI-SecDef report covering the personnel systems of CIA, NSA, DIA, and the civilian intelligence personnel of the military services (Attachment C contains relevant Congressional Record excerpts). The report must be UNCLASSIFIED and submitted to Congress not later than 3 January 1987.

The report is to address five broad areas of interest:

- ways that various systems differ from the competitive service and from each other;
- specific features of each system to ensure compliance with merit system principles;
- unique compensation features;
- employee termination authorities that allow no appeal outside the agency or department; and
- recruitment and retention problems.

Attachment B was prepared by my Planning and Policy Staff, based on inputs from a working group chaired by the Acting Director of that staff. CIA, NSA, DIA, and Army INSCOM (representing all three services) participated actively, as did a representative from OGC/CIA. The report has been coordinated with the appropriate personnel offices in all these organizations. It is

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SUBJECT: Intelligence Personnel Systems Report for the Congress

responsive to the Congressional request, and has been written with the object of providing a generalized description and account of the various personnel systems. Comments specific to each agency have been used mainly for purposes of illustration, example, or exception.

The Assistant Secretary of Defense/C^3I is coordinating the report within OSD. After you have approved the report and signed the forwarding letters, the package will be transferred to Defense for signature by the Secretary or his designate (the appropriate signature block will be added by OSD). Defense has already begun its coordination process using a draft copy of the report, and has indicated approval through the Assistant Secretary level.

3. Recommendation: That you sign the two forwarding letters and return the package to ICS for further signature and distribution.

STAT

Lieutenant General, USAF

Attachments:
A. Ltrs for signature (U)
B. Personnel Report (U)
C. Congressional Record excerpts (U)

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SUBJECT: Intelligence Personnel Systems Report for the Congress

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13 February 1987

Honorable Jim Wright
Speaker
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

Section 507 of the Fiscal Year 1987 Intelligence Authorization Act directs the Secretary of Defense and the Director of Central Intelligence to submit an unclassified report on civilian personnel systems by January 3, 1987. The enclosed report fulfills that requirement. The report describes the civilian personnel systems for officers and employees of the Central Intelligence Agency, the National Security Agency, and the Defense Intelligence Agency. It also describes the personnel systems for officers and employees established under section 1590 of Title 10, United States Code, as amended by section 504, for civilian intelligence personnel of the Military Departments.

Sincerely,

Caspar W. Weinberger
Secretary of Defense

Robert M. Gates
Acting Director of
Central Intelligence

Enclosure

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SUBJECT: Letter to Speaker, U.S. House of Representatives, re Report on Civilian Personnel Systems

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STAT DCI/ICS/PPS b):13 February 1987

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Report to the Congress

Required by Section 507 of Public Law 99-569

3 January 1987

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1. How intelligence agency civilian personnel systems differ from the competitive service and from each other (CIA, NSA, DIA, civilian intelligence personnel under Departments of Army, Navy, Air Force)

The following chart shows some major differences between the competitive civil service system and the CIA, NSA, DIA, and military intelligence civilian personnel systems:

Activity or Subject	Competitive Service	CIA	NSA	DIA	Military Intelligence (Civilian Personnel)
Excepted service vs. competitive service/status	Appointees are subject to OPM rules for competitive civil service, and acquire competitive status	By statute, CIA is excepted service; CIA appointment does not confer competitive status	Same as CIA	Same as CIA	Personnel can be either excepted or competitive depending on application of OPM established criteria for Schedule A military intelligence civilian positions
Determination of qualifications standards, recruitment, testing, and selection	OPM determines qualifications standards for given positions; prescribes the competitive examinations or other competitive selection procedures to be used; and places employees on registers of eligibles in rank order	CIA performs these functions independently for itself, pursuant to its enabling legislation; Agency has unique occupations and conditions of employment not present in competitive service; Agency identifies, recruits, and tests or selects prospective employees under its own authority and procedures, and is not subject to the register system	Same as CIA	Same as CIA	OPM permits agencies to establish their own qualification standards, within limitations, for excepted service positions and determine qualifications of individuals. Each service identifies, recruits, and selects prospective employees under authority delegated by OPM and is not subject to the register system
Veterans preference in hiring	Yes	No	No	Yes	Yes

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Activity or Subject	Competitive Service	CIA	NSA	DIA	Military Intelligence (Civilian Personnel)
Power of appointment	By agency appointing officer from register of eligibles, following the rule of three, pursuant to rules from OPM prescribing who may be an appointing officer	By Agency's Director of Personnel under authority of CIA enabling law	By Director of NSA or designee, pursuant to authority under NSA's enabling law	By Director of DIA as designated by the Secretary of Defense	By each Service Secretary through the command chain to an installation's personnel officer
TOP SECRET level security screening for all positions, including polygraph interview and background investigation as prerequisite to employment and as condition of continued employment	No	Yes	Yes, except unique accesses required by statute	Yes, except that polygraph interview not required (such interviews are required for DIA employees when they are detailed to CIA or NSA)	Yes, except that polygraph interview is generally required only of those to be assigned or detailed to CIA, NSA, DIA or to special access programs
Overseas employment time limits prescribed by OPM	Yes	No	No	No	Yes

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Activity or Subject	Competitive Service	CIA	NSA	DIA	Military Intelligence (Civilian Personnel)
Classification of positions under the Classification Act and pay under the General Schedule	Subject to OPM rules governing position classification; required by law to follow General Schedule	Exempt by law from GS system and OPM rules, but follows GS system generally as a matter of administrative convenience	Exempt by law from GS system and OPM rules, but required to establish pay in relation to General Schedule	Same as NSA	Same as competitive
Promotion	Based on "rank in position" whereby individual is entitled to the grade of the position occupied	Based on "rank in person" concept whereby individual brings grade with self to the position occupied	Follows "rank in position" approach although not subject to competitive service rules prescribed by OPM	Same as NSA, with limited "rank in person" authority	Same as competitive
Reduction in force procedures	Employees at same "competitive level" in same geographic or organizational "competitive area" "compete" with one another for retention based on tenure, veterans preference, length of service, and performance. Employees are ranked on retention registers, and given	DCI has discretionary authority to terminate employees determined to be excess to needs of the service; Agency is not subject to competitive service RIF procedures	Follows OPM regulations to the extent consistent with NSA statutory authority	Follows modified competitive service rules	Generally, same as competitive service; however, assignment rights to positions outside an employee's competitive level are not granted by OPM or Service-wide regulation, but may be extended as a matter of individual Service career

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Activity or Subject	Competitive Service	CIA	NSA	DIA	Military Intelligence (Civilian Personnel)
	certain substantive and procedural (e.g., appeal) rights if released from employee's competitive level				program, command, or installation policy. Excepted service employees cannot compete with competitive service employees
Adverse actions (suspensions, downgrading, reduction in pay, furlough, removal)	OPM prescribes procedures; agency decisions are appealable to Merit Systems Protection Board (except suspension of 14 days or less)	Independent procedures; Enabling statutes do not provide for appeal of Agency decisions outside Agency	Follows OPM procedures; employees may not appeal terminations outside the Department of Defense where such appeal would be inconsistent with national security; preference eligible employees are treated as required by law	Follows OPM procedures; except that during Fiscal Years 1986 and 1987, employees may, not appeal terminations outside the Department of Defense where such appeal would be inconsistent with national security; preference eligible employees are treated as required by law	Follows OPM procedures

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II. Specific features of each personnel system to ensure compliance with the merit system principles set forth in Section 2301 of Title 5, United States Code.

There are nine basic merit principles in Section 2301 of Title 5, U.S. Code. These principles are applied in all personnel systems covered in this report. In general, their implementation, consistent with 5 U.S.C. 2305 and other applicable statutes, is monitored and reinforced by grievance and Inspector General (IG) systems. Regulations provide mechanisms for submitting "whistleblowing" information, allegations of fraud, waste, or abuse, and other grievances on a confidential basis through established channels. The several Inspectors General are directed to conduct periodic announced inspections of components for compliance with applicable authority, regulations, and procedures. Unannounced inspections are conducted as necessary, and employees may submit complaints of arbitrary action, coercion, reprisal, or other unfair personnel practices. IG staffs also investigate reports of problem areas or subjects, possible violations of law or procedures, charges of fraud, misuse of funds, conflicts of interest, and other matters involving misfeasance, malfeasance, nonfeasance, or violation of trust. All personnel systems have also established measures to promote equal employment opportunity.

Each of the nine merit system principles is specifically addressed below.

(1) Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity.

One of the basic objectives of all intelligence agency civilian personnel systems is to recruit, within the full meaning of equal employment opportunity policies, qualified individuals who have demonstrated ability or potential to serve present and future requirements. Given the wide variety of skills and expertise the various agencies require to carry out their missions and functions, workforces necessarily include individuals from virtually all sectors of society and walks of life. Thus, employees are sought from a broad range of sources throughout the United States, including technical, business, and secretarial school graduates, graduates from colleges and universities, individuals separating from the military, established professionals considering career changes, and so forth. Recruiting advertisements are placed in leading newspapers and magazines, and vigorous minority recruiting is conducted by all agencies.

For example, during Fiscal Year 1986, CIA visited 29 historically black colleges and universities, which are the traditional sources for minority employees. As part of a program designed to increase recruitment activities on other campuses, CIA also recruited at minority career fairs at various major universities. In search of mainly Hispanic and Asian/Pacific-American candidates, CIA personnel visited 20 colleges and universities, mostly in the West and Southwest. Recruitment was also conducted at various conferences and conventions, including those held by the NAACP and the National Urban League.

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Finally, CIA maintains three special programs--Minority Student Symposium, Summer Fellowship, and Minority Undergraduate--in direct support of its minority recruitment effort.

Similar aggressive minority recruiting efforts and visits to minority universities and colleges are characteristic of the other personnel systems covered here. Additionally, CIA, NSA, DIA, and the Military Services have established active cooperative education and work-study programs that are used to support both minority recruiting and acquisition of critically skilled personnel. DIA, for example, began a work-study program with local colleges in Fiscal Year 1986 to fill positions in photo processing and automated data processing, while NSA maintains a co-op program covering scientific and technical occupations that have critical shortages.

(2) All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age or handicapping condition, and with proper regard for their privacy and constitutional rights.

It is the policy of all intelligence agencies to provide equal opportunity in employment for all persons; to prohibit unlawful discrimination based on age, color, handicap, national origin, race, religion, or sex; and to promote full realization of equal employment opportunity through affirmative action programs. In administering this policy, the agencies, consistent with security requirements, comply with applicable provisions of law and applicable regulations of the EEOC. The agencies conduct programs to address discrimination complaints and counseling and file reports semiannually with the EEOC, pursuant to EEO Management Directive 202 (20 September 1984).

All employees are apprised of equal employment opportunity programs when hired and at least annually thereafter. Individual agency regulations also require that appraisals of managers and supervisors include their efforts and achievements in the equal employment opportunity sphere and in the management and development of their subordinates. The various agencies offer Upward Mobility programs that provide career enhancement opportunities for clerical and technical personnel. Eligible employees are given training and on-the-job experience that enable them to move into technical and professional positions. Comprehensive management training programs have also been developed that require managers to be familiar with EEO issues, and a number of programs exist to promote better understanding of black-white and male-female relationships; for example, training programs in all agencies include such issues as gender difference in the workplace.

With respect to handicapped employees, all agencies have made every effort to provide structural and architectural features and amenities at official government buildings they own or occupy to accommodate the needs and problems of their handicapped personnel. There have been efforts as well to reasonably accommodate the handicaps of individuals in structuring employment opportunities.

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(3) Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector, and appropriate incentives and recognition should be provided for excellence in performance.

Regulations in all agencies indicate that, to the extent consistent with agency needs, it is a basic objective of their personnel programs to provide employees with:

- opportunities for making the best use of their training and experience;
- employment and advancement on the basis of ability and performance;
- equal pay for substantially equal work within prevailing pay systems; and
- job opportunities and job satisfaction commensurate with individual skills, abilities, and contributions.

Periodic and ad hoc occupational and position surveys and audits have ensured position grade structures that promote and maintain internal job and pay equity within occupations and across agency components.

Excellence in performance is rewarded through: promotion; quality step increases; suggestion, invention, special achievement, and exceptional accomplishment awards; and honor, merit, and service awards. Award programs are designed to encourage improved efficiency and effectiveness, to reinforce superior performance, and to recognize special acts in the public interest.

The military intelligence civilian personnel systems are presently covered by the Classification Act of 1949. Systems established are in conformance to that act and implementing OPM policies and standards to include use of the General Schedule, approved Federal Wage System pay schedules, and the new Performance Management and Recognition System.

(4) All employees should maintain high standards of integrity, conduct, and concern for the public interest.

All agencies conduct active ethics programs. Regulations incorporate rules pertaining to ethical conduct and conflicts of interest contained in Executive Order 11222, Titles 5 and 18 of the U.S. Code, and in Title 5 of the Code of Federal Regulations. A basic objective of the various personnel systems is to maintain standards of conduct that require employees to work to their full ability, to maintain a spirit of cooperativeness in their work, to be willing to serve the agency's needs wherever and whenever required, and to adhere not only to normal rules of good conduct but to be governed both on and off the job by the highest personal standards of honesty, integrity, and conduct.

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At the time of hiring, all agencies' employees are required to review applicable codes of conduct and ethics; review on a periodic basis is also required. Additional measures are also taken. At CIA, for example, the Office of the General Counsel renders written opinions and conducts briefings on ethics in government and conflicts of interest for certifying officers, contracting officers and their technical representatives, and for general employee audiences as well. All agencies also participate fully in mandated financial disclosure reporting and review programs (Executive Order 11222 and Title II of the Ethics in Government Act), and all possible violations of the federal criminal conflict-of-interest statutes are reported to the Department of Justice.

(5) The Federal work force should be used efficiently and effectively.

Agency personnel systems are structured and operated to foster:

- effective and economical use of human resources through systematic personnel planning, goal setting, and integration of personnel, position, and financial management; and

- maximum personnel usage and development consistent with agency requirements.

Executive, managerial, and supervisory personnel are required to organize their work and that of their subordinates in the most efficient and economical manner that will make optimum use of their human resources. Position management and classification programs are key mechanisms used to ensure that the right number of employees at the appropriate grades with the necessary skills fill the appropriate occupational categories and are placed in the right components, where and as needed. Excessive layering of supervisory positions, duplication of effort, unclear lines of authority, unrealistic spans of control, and imbalances in the ratios of supervisor-to worker and professional-to clerical personnel and positions have been proscribed and corrected where identified.

Among various steps taken, for example, NSA announces position vacancies through grade 12, and fills positions at grade 13-15 by making vacancies known, and conducting a computer-supported search of individuals' skills, knowledge and job preferences. Senior NSA officers advise the Director on all staffing actions above grade 15, including Senior Cryptologic Executives and Senior Technical Experts and certain other key positions. DIA has implemented a position management system that requires position management through an effective organizational structuring process with the position as the basic unit, and position planning that ensures logical entrance levels and career patterns for progression. Programs are scrutinized as they undergo changes that abolish or realign positions. CIA maintains assignment and reassignment policy and procedures that are intended to enhance CIA efficiency. The paramount consideration in determining assignments of personnel is the needs of the Agency. Due consideration is given to the career interests and

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personal circumstances of the individual, but these are subordinated to Agency requirements. However, an important factor in making assignments is the improvement of the professional competence of the Agency; and on occasion, selections are made primarily to afford employees developmental opportunities commensurate with their potential and career goals. The military intelligence civilian personnel systems use the same position management programs for excepted service positions as are applied to competitive service positions. This management program is supplemented by Service classification review programs that ensure periodic review for classification accuracy and need of each position.

(6) Employees should be retained on the basis of the adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards.

The several agencies' evaluation and performance appraisal processes are designed to meet the goal of operating agency-wide programs to identify those employees with the highest and lowest degrees of potential and those employees who fail to meet current work requirements or standards. The aim of these processes is to provide an objective and informed assessment of each employee and to eliminate the potential for arbitrary personnel decisions. Accordingly, these processes provide an appropriate basis for separating those employees whose performance does not meet current work requirements or standards.

At CIA, for example, the Performance Appraisal Report (PAR) system ensures that subordinates understand the nature and scope of their duties and are advised of the effectiveness of their performance. Performance appraisals are required at least annually, and employees are shown all entries on the PAR prior to submission, except when security or operational factors dictate otherwise. At DIA, a new civilian performance appraisal system has recently been instituted. This system was developed with OPM contractor assistance, and has been characterized by the Senate Select Committee on Intelligence as "state-of-the-art." It provides for five different sets of performance competencies, areas and standards for key components of the workforce: intelligence professionals; support professionals; managers and supervisors; technicians and wage system employees; and clerical and administrative workers. Recognition for exceptional performance is tied directly to the appraisal process. The military intelligence civilian personnel systems apply their own OPM approved performance management systems to employees.

(7) Employees should be provided effective education and training in cases in which such education and training would result in better organizational and individual performance.

It is the policy of all agencies to promote the highest standards of performance by encouraging employee self-improvement and by sponsoring training activities. Training programs are designed to meet career, agency, and Intelligence Community needs. Employees may be approved for training

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conducted by internal agency training offices, contractors, external academic institutions, or other external organizations (including senior officer schools and Congressional fellowships), and so forth. Employees may be sent to executive seminars or mid-career courses, and language training is given to those employees who require it to carry out their duties. Specialized training is also offered at places such as the Defense Intelligence College and the National Cryptologic School. Career development programs cover all aspects of the workforce. At NSA, for example, such programs include intern programs geared to professional level competence in a cryptologic occupation, and various programs that provide training for individuals with high potential for entry into critical cryptologic occupations. At DIA, training and development activities are listed for all levels of each career ladder, prioritized to reflect their character as: minimum essential, skill/position enhancing; or career enhancing. The military Services have also established extensive training programs.

(8) Employees should be (A) protected against arbitrary action, personal favoritism, or coercion for partisan political purposes and (B) prohibited from using their official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for an election.

Agency regulations incorporate the prohibitions in Executive Order 11222, the Hatch Act and related statutory provisions (e.g., 5 U.S.C. Sections 7321-7327; 18 U.S.C. Sections 601-603, 606, 607 et al.); and the anti-nepotism statute (5 U.S.C. Section 3110) against arbitrariness or favoritism in employment matters based on political or other such impermissible factors, and against official interference, coercion, or influence peddling in elections or nominations.

The apolitical/non-policymaking missions and orientation of the agencies covered here militate against any consideration of domestic partisan politics in personnel management and career development matters.

(9) Employees should be protected against reprisal for the lawful disclosure of information which the employees reasonably believe evidences (A) a violation of any law, rule, or regulation, or (B) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

Due to the sensitive and highly classified nature of intelligence activities, employees are required not to publicly disclose such information without authorization. However, it is the policy of the various agencies that employees have the opportunity, within secure channels, to submit job-related grievances and/or "blow the whistle" with freedom from reprisal, coercion, or restraint. Such allegations are required to be considered and resolved promptly, competently, and justly. It is the policy of agency Inspectors General to keep the identities of informants confidential. Additionally, the

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agencies are required to abide by the applicable provisions of EEO law which proscribe retaliation against an employee for raising an EEO claim. Finally employees of all agencies may take allegations of improper conduct by officials to the Intelligence Oversight Board established by Executive Order 12334 expressly to review such allegations on behalf of the President.

III. Any features of compensation (including bonuses and awards) unique to each personnel system.

DIA and the military intelligence civilian personnel systems have no unique compensation features. Neither does NSA except that NSA is authorized to pay bonuses to encourage people to join the Cryptologic Linguist Reserve Program.

The following is an unclassified list of unique compensation benefits for CIA personnel.

A. Pay

1. Experimental Pay Banding

In January 1985, CIA initiated a pay experiment in one of its components, based on the China Lake model. Certain occupational categories were placed under an experimental pay system containing five broad pay bands covering entry level through senior management responsibilities. Pay increments are awarded to employees based on individual performance. Promotion to a higher level is based on performance and potential. This pay experiment delegates responsibility to the manager to recognize and reward superior employee performance.

2. Secretarial Pay System

A new secretarial pay schedule was approved in 1986. This new Intelligence Secretary Schedule recognizes four levels of secretarial responsibility and compensation, incorporates pay-for-performance features and establishes training and experience criteria for movement between levels (promotion). An important aspect of the the secretarial plan is "job enrichment" of the secretarial occupation.

3. Senior Intelligence Service (SIS) Pay

The CIA's SIS pay scale provides for gradations of pay within the 1, 2, and 3 levels.

4. Sunday Premium Pay

Part-time CIA employees are eligible for Sunday premium pay when their regular work schedules and intelligence/operating needs require the Sunday work.

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B. Leave

1. Use of Restored Annual Leave

CIA allows use of restored annual leave up to the end of the leave year ending four years after the date on which the forfeited annual leave was restored or the exigency of illness which resulted in the forfeiture ended.

2. Advance of Annual Leave in Sick Relative Cases

A CIA employee who has exhausted all annual leave, but who must take more leave to care for the employee's sick child or seriously ill or dying spouse, parent, or sibling, may be advanced more annual leave than the employee will accrue by the end of the leave year (but not to exceed 360 hours) and will be allowed up to four years from the end of the leave year in which the borrowing occurred to pay back the advance.

3. Advance of Sick Leave

CIA regulations permit the Director of Personnel to advance up to 60 days' sick leave.

IV. Authority to take actions (including the number of actions) through employment termination provisions that do not permit appeals outside the agency.

CIA, NSA, and DIA termination authorities are set forth below. Other than the general termination authority contained in 5 U.S.C. 7532, the military intelligence civilian personnel systems have not previously had any specific statutory termination authorities, but were provided such authorities in 1986 for future use. During Fiscal Year 1986, the number of relevant actions taken by CIA, NSA, and DIA were:

CIA--22 resignations in lieu of termination and three retirements in lieu of termination, one termination;

DIA--19 resignations in lieu of termination, zero terminations;

NSA--did not find it necessary to exercise its statutory authority.

CIA authority derives from Section 102(c) of the National Security Act of 1947, as amended, 50 U.S.C. Section 403(c), which states that:

> Notwithstanding the provisions of section 6 of the Act of August 24, 1912 (37 Stat. 555), or the provisions of any other law, the Director of Central Intelligence may, in his discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the

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United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission.

NSA authority derives from Section 393, Public Law 88-290, 50 U.S.C. 833, which states that:

(a) Notwithstanding section 14 of the Act of June 27, 1944, Chapter 287, as amended (5 U.S.C. 863), section 1 of the Act of August 26, 1950, chapter 803, as amended (5 U.S.C. 22-1), or any other provision of law, the Secretary may terminate the employment of any officer or employee of the Agency whenever he considers that action to be in the interest of the United States, and he determines that the procedures prescribed in other provisions of law that authorize the termination of the employment of that officer or employee cannot be invoked consistently with the national security. Such a determination is final.

(b) Termination of employment under this section shall not affect the right of the officer or employee involved to seek or accept employment with any other department or agency of the United States if he is declared eligible for such employment by the Director of the Office of Personnel Management.

(c) Notwithstanding section 133(d) of Title 10, only the Deputy Secretary of Defense and the Director of the National Security Agency may be delegated any authority vested in the Secretary of Defense by subsection (a) of this section.

DIA authority contained in 10 U.S.C. 1604(e) derives from Section 501 of the Intelligence Authorization Act of FY 1985 (PL 98-618) as amended by the Intelligence Authorization Act of FY 1987 (PL 99-569), which states that:

(1) Notwithstanding any other provision of law, the Secretary of Defense may, during fiscal years 1985, 1986, and 1987 terminate the employment of any civilian officer or employee of the Defense Intelligence Agency whenever he considers that action to be in the interest of the United States and he determines that the procedures prescribed in other provisions of law that authorize the termination of the employment of such officer or employee cannot be invoked in a manner consistent with the national security. The decisions of the Secretary under this paragraph are final and may not be appealed or reviewed outside the Department of Defense. The Secretary of Defense shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever this termination authority is exercised.

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(2) Any termination of employment under this subsection shall not affect the right of the officer or employee involved to seek or accept employment with any other department or agency of the United States if he is declared eligible for such employment by the Director of the Office of Personnel Management.

(3) The Secretary of Defense may delegate authority under this subsection only to the Deputy Secretary of Defense or the Director of the Defense Intelligence Agency or both. An action to terminate any civilian officer or employee by either such officer shall be appealable to the Secretary of Defense.

V. Recruitment and Retention Problems

In recent years, the intelligence agencies have needed an increasing number of analysts, operations officers, engineers, and scientists to handle expanding interests and responsibilities. These include collection and analysis on such issues as terrorist groups and their activities, narcotics trafficking, the international financial situation, and weapons development and deployment in various foreign countries. The agencies have also become involved in the management of more complex scientific and technical programs.

Specific recruiting problems nave been experienced in hiring sufficient numbers of qualified engineers, electronic technicians, computer scientists and operators, operations officers, security officers, counterintelligence and counterterrorist analysts, linguists for esoteric languages, and secretaries. Similar difficulties have also been encountered in retaining personnel in these groups. Many secretaries and clerks, for example, move to other positions within the agencies, while scientists and engineers are highly sought after by private industry. The military intelligence civilian personnel systems have also experienced recruiting difficulties stemming from an unfavorable competitive position with CIA, NSA, and DIA as to flexibility of classification, compensation, and entitlements.

Attracting, recruiting, and processing the highly trained individuals required to conduct and manage the intelligence Community's business has been difficult for a number of reasons. Among specific difficulties faced are the following:

- salaries: many private firms can still out-bid us for the top 10% of graduates; minimal or nonexistent federal pay increases also work to our detriment;

- benefits: many private companies pay the full costs of life and health insurance and other benefits;

- educational benefits: a number of high-technology firms offer much more comprehensive tuition support (100 percent) and salary programs;

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- travel restrictions: some linguists are opposed to tne idea of travel restrictions because they may be restricted from visiting countries whose language they have studied;

- advanced job knowledge: some CIA and NSA applicants are concerned that they cannot know in advance exactly what tne agency does or what they will do in their job assignments;

- screening: given tne stringent, time-consuming pre-employment security, medical, and personnel screening required, agencies face an inherent recruiting disadvantage vis-a-vis most private sector employers and most other federal agencies; moreover, once hired the security status of employees makes them attractive candidates for private sector employers who do business in these areas with the Government.

While tne nature of intelligence work is alluring enough to compensate for some of the recruiting disadvantages, recent cutbacks or attempted cutbacks in federal employee benefits, which are already less than those available in the private sector, also hinder effective recruiting.

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13 February 1987

Honorable John Stennis
President pro Tempore
of the Senate
United States Senate
Washington, D.C. 20510

Dear Senator:

Section 507 of the Fiscal Year 1987 Intelligence Authorization Act directs the Secretary of Defense and the Director of Central Intelligence to submit an unclassified report on civilian personnel systems by January 3, 1987. The enclosed report fulfills that requirement. The report describes the civilian personnel systems for officers and employees of the Central Intelligence Agency, the National Security Agency, and the Defense Intelligence Agency. It also describes the personnel systems for officers and employees established under section 1590 of Title 10, United States Code, as amended by section 504, for civilian intelligence personnel of the Military Departments.

Sincerely,

Caspar W. Weinberger
Secretary of Defense

Robert M. Gates
Acting Director of
Central Intelligence

Enclosure

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SUBJECT: Letter to President pro tempore re Report on Civilian Personnel Systems

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